

State of New Hampshire Banking Department

In re the Matter of: ) Case No.: 08-381  
)  
)  
State of New Hampshire Banking )  
) Order to Show Cause with Immediate  
Department, ) Suspension  
)  
Petitioner, ) and  
)  
and ) Cease and Desist Order  
)  
Empire Equity Group, Inc. (d/b/a 1<sup>st</sup> )  
)  
Metropolitan of NY), Corporate Office )  
)  
Management Providers, Inc., Daniel )  
)  
Howard Jacobs, Joshua Israel Lieber, )  
)  
Ezra S. Beyman, William Dean Warren, )  
)  
and Christopher Derek Max, )  
)  
Respondents )

NOTICE OF ORDER

This Order commences an adjudicative proceeding under the provisions of RSA 397-A, RSA 541-A, BAN 200 and JUS 800.

LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 397-A:17, the Banking Department of the State of New Hampshire (hereinafter, the "Department") has the authority to issue an order to show cause why license revocation and penalties for violations of New Hampshire Banking laws should not be imposed.

Pursuant to RSA 397-A:18, the Department has the authority to issue a complaint setting forth charges whenever the Department is of the opinion that the licensee or person over whom the Department has jurisdiction is

1 violating or has violated any provision of RSA Chapter 397-A, rule or order  
2 thereunder.

3 Pursuant to RSA 397-A:18, II, the Department has the authority to  
4 issue and cause to be served an order requiring any person engaged in any  
5 act or practice constituting a violation of RSA 397-A or any rule or order  
6 thereunder, to cease and desist from violations of RSA 397-A.

7 Pursuant to RSA 397-A:17 and RSA 541-A:30 the Bank Commissioner  
8 ("Commissioner) may by order summarily postpone or suspend any license or  
9 application pending final determination of any order to show cause, or other  
10 order, or of any other proceeding under this section, provided the  
11 Commissioner finds that the public interest would be irreparably harmed by  
12 delay in issuing such order.

13 Pursuant to RSA 397-A:20, the Commissioner may issue, amend, or  
14 rescind such orders as are reasonably necessary to comply with the  
15 provisions of the Chapter.

16 Pursuant to RSA 397-A:21, the Commissioner has the authority to  
17 suspend, revoke or deny any license and to impose administrative penalties  
18 of up to \$2,500.00 for each violation of New Hampshire banking law and  
19 rules.

20 Pursuant to RSA 383:10-d, the Commissioner shall investigate conduct  
21 that is or may be an unfair or deceptive act or practice under RSA 358-A and  
22 exempt under RSA 358-A:3,I or that may violate any of the provisions of  
23 Titles XXXV and XXXVI and administrative rules adopted thereunder. The  
24 Commissioner may hold hearings relative to such conduct and may order  
25 restitution for a person or persons adversely affected by such conduct. The  
Commissioner may utilize all remedies available under the Act.

**NOTICE OF RIGHT TO REQUEST A HEARING**

Pursuant to RSA 541-A:30, the Department shall hold a hearing within ten (10) working days after the date of this Order suspending the Respondents' license. That hearing is noticed under separate cover. A record of this proceeding shall be made by a certified shorthand court reporter provided by this Department. If any of the Respondents fails to appear at the hearing after being duly notified, such person shall be deemed in default, and the proceeding may be determined against the defaulting Respondent(s) upon consideration of the Order, the allegations of which may be deemed to be true.

After said hearing and within 20 days of the date of the hearing the Commissioner shall issue a further order vacating this Order or making it permanent as the facts require and making such findings as are necessary. All hearings shall comply with 541-A.

The above named Respondents have the right to be represented by counsel at each Respondent's own expense. Any such request shall be in writing, and signed by the Respondents or by the duly authorized agent of the above named Respondents, and shall be delivered either by hand or certified mail, return receipt requested, to the New Hampshire Banking Department, 53 Regional Drive, Suite 200, Concord, NH 03301.

**STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF**

The Staff Petition dated November 6, 2008 (a copy of which is attached hereto) is incorporated by reference hereto.

**ORDER**

WHEREAS, finding it necessary and appropriate and in the public interest, and consistent with the intent and purposes of the New Hampshire banking laws,

1           WHEREAS, finding that the allegations contained in the Staff Petition,  
2 if proved true and correct, form the legal basis of the relief requested,  
3 and

4           WHEREAS, FINDING a substantial likelihood that delay will cause harm  
5 to the public health, safety or welfare, requiring emergency action,

6           It is hereby ORDERED, that:

- 7           1. **Respondents' license is immediately suspended;** and  
8           2. Pursuant to RSA 541-A:30, III, an adjudicative hearing shall  
9           be held within ten (10) working days of the date of this  
10          Order.

11          It is hereby further ORDERED, that:

- 12          3. Respondent Empire Equity Group (d/b/a 1<sup>st</sup> Metropolitan  
13          Mortgage of NY) (hereinafter, "Respondent 1<sup>st</sup> Metropolitan  
14          Mortgage") shall show cause why penalties in the amount of  
15          \$770,000.00 should not be imposed against it;  
16          4. Respondent Corporate Office Management Providers, Inc.  
17          (hereinafter, "Respondent Corporate Office Management") shall  
18          show cause why penalties in the amount of \$692,500.00 should  
19          not be imposed against it;  
20          5. Respondent Daniel Howard Jacobs (hereinafter, "Respondent  
21          Jacobs") shall show cause why penalties in the amount of  
22          \$770,000.00 should not be imposed against him;  
23          6. Respondent Joshua Israel Lieber (hereinafter, "Respondent  
24          Lieber") shall show cause why penalties in the amount of  
25          \$692,500.00 should not be imposed against him;  
26          7. Respondent Ezra S. Beyman (hereinafter, "Respondent Beyman")  
27          shall show cause why penalties in the amount of \$77,500.00  
28          should not be imposed against him;

1 8. Respondent William Dean Warren (hereinafter, "Respondent  
2 Warren") shall show cause why penalties in the amount of  
3 \$770,000.00 should not be imposed against him;

4 9. Respondent Christopher Derek Max (hereinafter, "Respondent  
5 Max") shall show cause why penalties in the amount of  
6 \$770,000.00 should not be imposed against him;

7 10. Respondents shall be jointly and severally liable for the  
8 above amounts; and

9 11. The above named Respondents shall show cause why, in addition  
10 to the penalties listed in paragraphs 1 through 10 above,  
11 Respondent 1<sup>st</sup> Metropolitan Mortgage's license should not be  
12 revoked.

13 It is hereby further ORDERED that:

14 12. Along with the \$770,000.00 administrative penalty for  
15 Respondent 1<sup>st</sup> Metropolitan Mortgage, the administrative  
16 penalties for the remaining above named Respondents, the  
17 outstanding sum of all above penalties shall be immediately  
18 paid;

19 13. The Respondents shall immediately **Cease and Desist** from all  
20 violations of New Hampshire law and the rules promulgated  
21 thereunder; and

22 14. Failure to attend the hearing to be held within 10 days of  
23 this Order shall result in a default judgment being rendered  
24 and administrative penalties imposed upon the defaulting  
25 Respondents(s).

SIGNED,

Dated: 11/6/08

/s/  
PETER C. HILDRETH  
BANK COMMISSIONER

State of New Hampshire Banking Department

In re the Matter of: )Case No.: 08-381  
State of New Hampshire Banking )  
Department, )Staff Petition  
Petitioner, )  
and )  
Empire Equity Group, Inc. (d/b/a 1<sup>st</sup> )  
Metropolitan of NY), Corporate Office )  
Management Providers, Inc., Daniel )  
Howard Jacobs, Joshua Israel Lieber, )  
Ezra S. Beyman, William Dean Warren, )  
and Christopher Derek Max, )  
Respondents )

**I. STATEMENT OF ALLEGATIONS**

The Staff of the Banking Department, State of New Hampshire (hereinafter, "Department") alleges the following facts:

**Facts Common on All Counts:**

1. Respondent Empire Equity Group (d/b/a 1<sup>st</sup> Metropolitan Mortgage of NY) (hereinafter, "Respondent 1<sup>st</sup> Metropolitan Mortgage") has been licensed as a Mortgage Broker since at least the year 2000 (with an amended license date of January 15, 2008).
2. Respondent Corporate Office Management Providers, Inc. (hereinafter, "Respondent Corporate Office Management") is the 100% direct owner of Respondent 1<sup>st</sup> Metropolitan Mortgage.

1        3. Respondent Daniel Howard Jacobs (hereinafter, "Respondent  
2        Jacobs") is Chief Executive Officer and Director of Respondent 1<sup>st</sup>  
3        Metropolitan Mortgage, as well as an indirect owner thereof by  
4        way of his fifty percent (50%) ownership of Respondent Corporate  
5        Office Management.

6        4. Respondent Joshua Israel Lieber (hereinafter, "Respondent  
7        Lieber") is an indirect owner of Respondent 1<sup>st</sup> Metropolitan  
8        Mortgage by way of his fifty percent (50%) ownership of  
9        Respondent Corporate Office Management.

10       5. Respondent Ezra S. Beyman (hereinafter, "Respondent Beyman") was  
11       owner and President of Respondent 1<sup>st</sup> Metropolitan Mortgage until  
12       January 8, 2008, when it was acquired by Respondent Corporate  
13       Office Management.

14       6. Respondent William Dean Warren (hereinafter, "Respondent Warren")  
15       is the Chief Compliance Officer for Respondent 1<sup>st</sup> Metropolitan  
16       Mortgage.

17       7. Respondent Christopher Derek Max (hereinafter, "Respondent Max")  
18       is Respondent 1<sup>st</sup> Metropolitan Mortgage's Salem, New Hampshire  
19       branch office Branch Manager.

20       8. References to Respondents are made throughout the Staff Petition  
21       for ease of reference; however:

22       a. Respondents Corporate Office Management and Lieber are only  
23       included in violations occurring on and after January 8, 2008;  
24       and

25       b. Respondent Beyman is only included in violations occurring

before January 8, 2008.

DEFRAUDING THE LENDER - CONSUMER A LOAN FILE

Violation of Title 18 U.S.C. Section 1001, et seq. via RSA 397-A:2, III (11 Counts):

Violation of Title 18 U.S.C. Section 1010 via RSA 397-A:2, III (11 Counts):

Violation of Title 18 U.S.C. Section 1344 via RSA 397-A:2, III (11 Counts):

Violation of RSA 397-A:6, I Failure to Supervise (11 Counts):

Violation of RSA 397-A:17, I(f) Violation of Federal Laws and Rules (11 Counts):

Violation of RSA 397-A:17, I(g) Failure to Supervise (11 Counts):

Violation of RSA 397-A:17, I(k) Dishonest or Unethical Practices (11 Counts):

Violation of RSA 397-A:17, I(l) Violation of Federal Laws and Rules (11 Counts):

9. Paragraphs 1 through 8 are hereby realleged as fully set forth herein.

10. Consumer A's (two individuals) loan file contained a loan application signed July 2, 2008 but the signature does not appear to match either of the two individuals listed as Borrower, as compared to the Borrowers' identification.

11. The July 2, 2008 loan application was prepared by Respondent 1<sup>st</sup> Metropolitan Mortgage's loan originator (hereinafter, "Employee #1").



1 12. The dollar amounts for Bank Account A was listed as \$160.00 and  
2 the dollar amount for Bank Account B was listed as \$3,950.00 on  
3 the July 2, 2008 loan application.

4 13. The second loan application was unsigned and dated but it  
5 appeared to be whited out and replaced with the date of July 24,  
6 2008.

7 14. The July 24, 2008 unsigned loan application showed Bank Account  
8 A's balance as \$4,100.97 and Bank Account B's balance as  
9 \$1,798.25.

10 15. The third loan application was signed and dated July 25, 2008 and  
11 submitted to the Lender.

12 16. Again, the signatures of Consumer A (two individual borrowers) do  
13 not match to the signatures on other signed documents or on the  
14 Borrowers' identification.

15 17. Bank Account A is listed on the July 25, 2008 loan application  
16 submitted to the Lender with a \$4,100.97 balance. Bank Account B  
17 is listed on the same loan application submitted to the Lender  
18 with a balance of \$1,798.25.

19 18. The Verification of Deposit Form was part of the loan application  
20 and submitted to the Lender, as well.

21 19. The Verification of Deposit was dated June 30, 2008 from  
22 Respondent 1<sup>st</sup> Metropolitan Mortgage to an individual at the Bank  
23 wherein Consumer A had the two accounts. This is two days from  
24 the earliest dated loan application in Consumer A's loan file.

25 20. Section 5 of the Verification of Deposit, filled out by

Respondent 1<sup>st</sup> Metropolitan Mortgage's Employee #1, matches the amounts listed for Bank Account A and Bank Account B in the July 2, 2008 loan application. To wit: \$160.00 and \$3,950.00, respectively.

21. The Bank's verification, allegedly signed by an individual at the Bank, was signed on July 1, 2008, which is one day earlier than the first loan application found in the loan file.

22. This July 1, 2008 Verification of Deposit was submitted to the Lender and found in the Lender's loan file for Consumer A submitted to the Department.

23. The name of the individual is of someone who actually works on the Bank; however, the amount on the Bank's alleged verification is \$4,100.97 for Bank Account A and \$1,798.25, which are the same amounts listed on the July 25, 2008 forged loan application submitted to the Lender.

24. The Bank Account A balance submitted to the Lender showed a \$4,100.97 balance with a two month average balance of \$4,445.00.

25. The Bank Account B balance submitted to the Lender showed a \$1,798.25 balance with a two month average balance of \$476.00.00.

26. The Department received actual verifications from the Bank for the same time period used in the July 25, 2008 forged loan application submitted to the Lender.

27. Bank Account A actually had a \$0.97 balance with a two month average balance of \$1,093.50 and Bank Account B had a \$1,913.16 balance with a two month average balance of \$1,420.00.

1 28. Further, the Department found the original version of the July 1,  
2 2008 Verification of Deposit, cut into pieces in Respondent 1<sup>st</sup>  
3 Metropolitan Mortgage's Shred-It bin located in the Salem, New  
4 Hampshire branch office.

5 29. The original July 1, 2008 verification showed no creases or  
6 facsimile lines, which would be present if it was mailed or  
7 submitted to the Bank for an actual verification of deposit.

8 30. The "Mortgage Credit Analysis Worksheet", dated July 25, 2008,  
9 disclosed "j. Assets Available \$5,899.22." This figure  
10 represents the account totals (\$4,100.97 + 1,798.25) Respondent  
11 1<sup>st</sup> Metropolitan Mortgage used in its July 25, 2008 loan  
12 application submitted to the Lender.

13 31. The actual deposit amounts received by the Bank show that "j.  
14 Assets Available" should be \$1,914.13 (\$0.97 + \$1,913.16).

15 32. Respondent 1<sup>st</sup> Metropolitan Mortgage over-stated the assets  
16 available by \$3,985.09 (\$5,899.22 - \$1,914.13).

17 33. Section 32 of the desktop underwriter disclosed \$5899.00 as the  
18 assets counted towards available funds.

19 34. Respondent 1<sup>st</sup> Metropolitan Mortgage's July 2, 2008 loan  
20 application (signed but not submitted) indicated the total assets  
21 as \$4,110.00 (\$160.00 + \$3,950.00). An underwriting summary in  
22 the Respondent 1<sup>st</sup> Metropolitan Mortgage's loan file stated that  
23 "the depository assets totaling \$4,110.00 must be verified by one  
24 of the following: a) VOD..."

25 35. Therefore, the Verification of Deposit was altered to meet the

1           minimal underwriting requirements.

2           36. The Lender's loan package submitted by Respondent 1<sup>st</sup> Metropolitan  
3           Mortgage contained a document entitled "Conditional Loan  
4           Approval", which listed conditions that needed to be satisfied  
5           for loan approval and funding.

6           37. Conditions 9, 10, and 22 (which are the FHA Amendatory Clause,  
7           Important Notice to Homebuyers, and signed and dated explanation  
8           of credit inquires, respectively) required borrower signatures.

9           38. The three documents (Conditions 9, 10, and 22) contained the  
10          names of the two individual Borrowers (collectively, Consumer A);  
11          however, the signatures did not appear to be of either of the two  
12          individual Borrowers collectively known as Consumer A.

13          39. The Verification of Employment was also a required document for  
14          the Consumer A loan file submitted to the Lender, who funded the  
15          loan for Consumer A.

16          40. A Verification of Employment for one of the two Borrowers of the  
17          Consumer A file (for purposes herein "Borrower 1") was discovered  
18          in the Shred-It bin in Respondent 1<sup>st</sup> Metropolitan Mortgage's  
19          Salem, New Hampshire branch office. The Verification of  
20          Employment indicated Borrower 1 worked for a company in  
21          Georgetown, Massachusetts.

22          41. This Verification of Employment was completed in blue ink and  
23          contained white out in Section #9 - Applicant's date of  
24          Employment.

25          42. Section #9 of the Verification of Employment for Borrower 1

1 appeared to be originally dated April 16, 2008 though the  
2 correction showed March 16, 2008.

3 43. The crease line or facsimile transmission line could not be  
4 located or detected. The Lender's file contained an exact  
5 duplicate copy of this Borrower 1 Verification of Employment.

6 44. The Lender's copy did contain a facsimile transmission line at  
7 the top indicating from where the document was faxed. The number  
8 listed is a contract engineering and manufacturing company  
9 located in Albert Lea, Minnesota, though the company she lists is  
10 a different company and different line of work and located in  
11 Georgetown, Massachusetts. However, the Verification of  
12 Employment was fabricated at Respondent 1<sup>st</sup> Metropolitan  
13 Mortgage's Salem, New Hampshire branch office due to the lack of  
14 facsimile transmission lines and creases in the document.

15 **DEFRAUDING THE LENDER - CONSUMER B LOAN FILE**

16 **Violation of Title 18 U.S.C. Section 1001, et seq. via RSA 397-A:2, III (2**  
17 **Counts):**

18 **Violation of Title 18 U.S.C. Section 1010 via RSA 397-A:2, III (2 Counts):**

19 **Violation of Title 18 U.S.C. Section 1344 via RSA 397-A:2, III (2 Counts):**

20 **Violation of RSA 397-A:6, I Failure to Supervise (2 Counts):**

21 **Violation of RSA 397-A:17, I(f) Violation of Federal Laws and Rules (2**  
22 **Counts):**

23 **Violation of RSA 397-A:17, I(g) Failure to Supervise (2 Counts):**

24 **Violation of RSA 397-A:17, I(k) Dishonest or Unethical Practices (2**  
25 **Counts):**

Violation of RSA 397-A:17, I(1) Violation of Federal Laws and Rules (2

Counts):

Violation of RSA 397-A:11, I Failure to Maintain Records (1 Count):

Violation of RSA 397-A:12, VIII Failure to Correct Reported Deficiencies (2

Counts):

45. Paragraphs 1 through 44 are hereby realleged as fully set forth herein.

46. A Consumer B loan file had a separate Verification of Deposit, which was found in the Shred-In bin at Respondent 1<sup>st</sup> Metropolitan Mortgage's Salem, New Hampshire branch office.

47. The Borrower 2 Verification of Deposit was written in blue ink and failed to contain facsimile transmission lines or creases.

48. The Borrower 2 Verification of Deposit contained two bank accounts (Bank Account C and Bank Account D) with the same Bank as in Consumer A's loan file.

49. Section 7 of the Borrower 2 Verification of Deposit was prepared by a loan processor (hereinafter, "Employee #3") of Respondent 1<sup>st</sup> Metropolitan Mortgage and requested verification of Bank Account C with a balance of \$56.32 and Bank Account D with a balance of \$35,518.81.

50. Section 10 of the Borrower 2 Verification of Deposit is the Bank's verification section. Bank Account C disclosed a current and the two month average balance of \$56.32. Bank Account D disclosed a balance of \$35,518.81 and a two month average balance of \$32,724.00.

1 51. Again, the lack of creases and facsimile transmission lines  
2 indicates this Borrower 2 Verification of Deposit, which includes  
3 the Bank's section of information already filled out, to be  
4 fabricated at Respondent 1<sup>st</sup> Metropolitan Mortgage's Salem, New  
5 Hampshire branch office.

6 52. The Department received actual account information from the Bank  
7 with respect to the same time frames stated in the Borrower 2  
8 Verification of Deposit.

9 53. According to the Bank, Bank Account C had a balance of \$56.32  
10 with a two month average balance of \$56.00. Bank Account D had a  
11 balance of \$4,518.81 with a two month average balance of  
12 \$2,175.50.

13 54. Respondents over-reported funds available in Bank Account D by  
14 \$31,000.00.

15 55. On August 15, 2008, the Department asked for the copy of Consumer  
16 B's file to be delivered to the Department no later than August  
17 20, 2008.

18 56. To date, Respondent 1<sup>st</sup> Metropolitan Mortgage has been unable to  
19 locate any records regarding Consumer B's loan file.

20 57. The Department's previous observation from a previous examination  
21 indicated that Respondent 1<sup>st</sup> Metropolitan Mortgage failed to  
22 maintain complete loan files and failed to provide legible copies  
23 of documents contained within loan files.

24 58. It appears such violations have been observed again in the 2008  
25 examination.

DEFRAUDING THE LENDER - CONSUMER C LOAN FILE

Violation of Title 18 U.S.C. Section 1001, et seq. via RSA 397-A:2, III (2 Counts):

Violation of Title 18 U.S.C. Section 1010 via RSA 397-A:2, III (2 Counts):

Violation of Title 18 U.S.C. Section 1344 via RSA 397-A:2, III (2 Counts):

Violation of RSA 397-A:6, I Failure to Supervise (2 Counts):

Violation of RSA 397-A:17, I(f) Violation of Federal Laws and Rules (2 Counts):

Violation of RSA 397-A:17, I(g) Failure to Supervise (2 Counts):

Violation of RSA 397-A:17, I(k) Dishonest or Unethical Practices (2 Counts):

Violation of RSA 397-A:17, I(l) Violation of Federal Laws and Rules (2 Counts):

59. Paragraphs 1 through 58 are hereby realleged as fully set forth herein.

60. Consumer C's loan application disclosed Consumer C was applying to refinance his primary residential dwelling located in Moultonborough, New Hampshire.

61. Consumer C's loan application disclosed that the Moultonborough, New Hampshire address was his current address, that Consumer C had two rental properties located in Massachusetts (Hudson and Framingham), and that Consumer C worked for a real estate appraisal company in Stow, Massachusetts.

62. The Hudson, Massachusetts rental property was the same address as was listed on Consumer C's credit card statement dated September



1 28, 2006.

2 63. A copy of Consumer C's Massachusetts driver's license was  
3 included in the loan file, with an expiration date of June 29,  
4 2009.

5 64. Consumer C's loan application disclosed a Massachusetts telephone  
6 number as the home telephone number.

7 65. The mortgage, which was executed in Worcester, Massachusetts  
8 December 15, 2006, disclosed the occupancy as owner-occupied.

9 66. The two loans (1<sup>st</sup> and 2<sup>nd</sup>) were submitted to Lender B as an owner-  
10 occupied residence.

11 67. Further, a whitepages.com search for the State of New Hampshire  
12 was conducted by the Department on September 15, 2008 and did not  
13 reveal a listing for Consumer C.

14 68. However, a whitepages.com search on September 15, 2008 for the  
15 State of Massachusetts revealed Consumer C's address as the same  
16 as the Framingham, Massachusetts property which was listed as a  
17 rental property on Consumer C's loan application.

18 69. The combined facts above reveal that Respondent 1<sup>st</sup> Metropolitan  
19 Mortgage's loan originator willfully misrepresented the occupancy  
20 status of Consumer C to Lender B.

21 **INTENT TO DEFRAUD THE LENDER - VARIOUS CONSUMER FILES**

22 **Violation of RSA 397-A:6, I Failure to Supervise (2 Counts):**

23 **Violation of RSA 397-A:17, I(g) Failure to Supervise (2 Counts):**

24 **Violation of RSA 397-A:17, I(k) Dishonest or Unethical Practices (2 Counts):**

25 70. Paragraphs 1 through 69 are hereby realleged as fully set forth

1           herein.

2           71. The above named Respondents failed to properly supervise  
3           employees of Respondent 1<sup>st</sup> Metropolitan Mortgage.

4           72. An email was discovered between Consumer D and Employee #2  
5           regarding the purchase of a condominium.

6           73. Consumer D sought a purchase money loan and was not pleased with  
7           the interest rate and payment figures Employee #2 calculated.

8           74. In response to Consumer D's dislike of the stated figure,  
9           Employee #2 suggested the condominium be financed as a second  
10          home for Consumer D's father and the rates would be better.

11          75. This email demonstrates Employee #2's willingness to creatively  
12          finance a borrower with a substitute borrower in order to obtain  
13          better rates, which in this circumstance would actually be  
14          falsifying borrower and occupancy information on the loan file.

15          76. This email also demonstrates the lack of supervision concerning  
16          potential loan applications.

17          77. Another example was an email was discovered dated July 15, 2008  
18          between a settlement attorney, three of Respondent 1<sup>st</sup>  
19          Metropolitan Mortgage's employees stating "we're wide open to  
20          close either late tomorrow or anytime Thursday [sic] (and  
21          backdate for weds [sic] w/out telling the lender)."

22          78. Although the documents were not backdated, there is no record  
23          that the three licensee employees did not respond they were not  
24          willing to backdate documents without lender involvement. This  
25          email also demonstrates the lack of supervision of potential loan

files and closing documents.

**MANIPULATION OF DOCUMENTS: CUT, TAPE, COPY, & WHITE OUT**

**Violation of Title 18 U.S.C. Section 1001, et seq. via RSA 397-A:2,III (15 Counts):**

**Violation of Title 18 U.S.C. Section 1010 via RSA 397-A:2,III (15 Counts):**

**Violation of Title 18 U.S.C. Section 1344 via RSA 397-A:2,III (15 Counts):**

**Violation of RSA 397-A:6,I Failure to Supervise (15 Counts):**

**Violation of RSA 397-A:17,I(f) Violation of Federal Laws and Rules (15 Counts):**

**Violation of RSA 397-A:17,I(g) Failure to Supervise (15 Counts):**

**Violation of RSA 397-A:17,I(k) Dishonest or Unethical Practices (15 Counts):**

**Violation of RSA 397-A:17,I(l) Violation of Federal Laws and Rules (15 Counts):**

79. Paragraphs 1 through 78 are hereby realleged as fully set forth herein.

80. During a review of Respondent 1<sup>st</sup> Metropolitan Mortgage's Shred-It bins and loan files in the Salem, New Hampshire branch office, Department Examiners found several documents which demonstrate the above named Respondents' manipulation of documents.

81. In an email dated June 16, 2008 from Respondent Max to his assigned branch employees, Respondent Max identified Employee #3's duties as "taking care of all disclosures, verifications, closing packages, and QC files."

82. In the same email dated June 16, 2008 from Respondent Max to his

1 assigned branch employees, Respondent Max identified Employee  
2 #4's duties as "getting all files processed from initial  
3 submissions to CTC".

4 83. The borrower signature was cut out on page 4 of 4 of the Consumer  
5 E loan application. The loan application disclosed Respondent's  
6 Employee #1 as the loan originator, yet the originator signature  
7 appears to be that of the processor (Employee #4).

8 84. In another loan file, Consumer F's signature was partially cut  
9 out on page 2 of 2 of the Consumer F "Fee Information from Your  
10 Mortgage Broker" disclosure document. This disclosure document  
11 named another person as loan originator, though the signature  
12 seems to be the signature of Employee #4, the loan processor.

13 85. The borrower signature was cut out of page 2 of 2 Consumer G's  
14 "Fee Information from Your Mortgage Broker" disclosure document.  
15 Again, this disclosure document named the same originator listed  
16 in Consumer F's file, but the signature appears to that of  
17 Employee #4, the loan processor.

18 86. The borrower signature was cut out on page 2 of 2 of Consumer H's  
19 "Fee Information from Your Mortgage Broker" disclosure document.  
20 The cut out borrower signature was then taped onto a new  
21 disclosure document. This new disclosure document (with the cut  
22 and taped borrower signature) was then photocopied several times  
23 in order to appear to be an original copy of the disclosure  
24 document. The copy of the disclosure document was evident in the  
25 loan file maintained in Respondent 1<sup>st</sup> Metropolitan Mortgage's

1 Salem, New Hampshire branch office. This newly created  
2 disclosure named Employee #1 as the loan originator, but the  
3 signature appears to be that of Employee #4, the loan processor.

4 87. Consumer I is actually two individual borrowers on the same loan  
5 file.

6 88. Consumer I's "Fee Information from Your Mortgage Broker"  
7 disclosure document contained white out over the mortgage broker  
8 fee compensation, broker fee, total and option 1 fields. This  
9 Consumer I disclosure document originally disclosed \$399.00 in  
10 mortgage broker compensation and \$495.00 in processing fees for a  
11 total of \$894.00, which is the fee agreement that one borrower of  
12 Consumer I signed on May 12, 2008 and the second borrower of  
13 Consumer I signed on May 18, 2008.

14 89. The whited out portions of Consumer I's disclosure document  
15 changed the mortgage broker compensation from \$399.00 to  
16 \$1,711.20, the broker fee from \$0.00 to \$399.00 and the total  
17 from \$894.00 to \$8,605.20 because there was an additional broker  
18 fee of \$7,711.20.

19 90. Option 3 in Consumer I's previously filed disclosure document was  
20 blank, but due to altering the document, now included a \$1,711.20  
21 fee.

22 91. The Department also discovered a third disclosure document for  
23 Consumer I. The third disclosure document indicated the mortgage  
24 broker compensation as \$7,711.20, a processing fee of \$495.00, a  
25 broker fee of \$399.00 for a total of \$8,605.20. \$895.00 was

1 indicated in option 1 and \$7,711.20 was indicated in option 3.

2 92. The two borrower signatures on Consumer I's disclosure document  
3 were not those of the borrowers.

4 93. A photocopy of Consumer I's third disclosure document was also  
5 discovered by the Department's Examiner. This third Consumer I  
6 disclosure document contained white out over one of the two  
7 borrowers' signature, had overwritten dates, and contained the  
8 borrower initials atop the overwritten dates. The initials do  
9 not appear to be those of the two Consumer I borrowers.

10 94. The above four Consumer I disclosure documents were discovered in  
11 Respondent 1<sup>st</sup> Metropolitan Mortgage's Salem, New Hampshire branch  
12 office Shred-It bins.

13 95. The Consumer I loan file contained a copy of the "Fee Information  
14 from Your Mortgage Broker" disclosure document, which had a total  
15 of \$894.00 in fees and was not signed by the two borrowers.

16 96. The Consumer I loan file also contained a copy of the third  
17 disclosure detailed above and contained signatures that were not  
18 those of the two borrowers.

19 97. The Consumer I loan file also contained a copy of the loan  
20 pricing agreement, which disclosed a total broker fee of \$894.00.  
21 This disclosure document named Respondent Max as the loan  
22 originator. However, the originator signature seems to be that of  
23 Employee #4, the loan processor.

24 98. Finally, the Consumer I loan file contained a letter entitled "To  
25 Whom It May Concern" regarding loan proceeds. The signature on

1 the letter named one of the two borrowers but it does not appear  
2 to be the borrower's signature.

3 99. The Consumer J "Fee Information from Your Mortgage Broker"  
4 disclosure document contained white out over the dates. The date  
5 currently on the document is May 27, 2008; yet, the original date  
6 appeared to be May 23, 2008.

7 100. The Consumer K loan file contained a disclosure document titled  
8 "What is the Most You May Have to Pay". This disclosure document  
9 contained white out over the interest rates and payments for years  
10 3, 4, 5, and 6.

11 101. The original copy of the Consumer K disclosure document described  
12 above contained borrower signatures, disclosed interest rates of  
13 5.875%, 5.875%, and 7.875% respectively, and payments appeared to  
14 increase from \$952.86 to \$983.26.

15 102. However, with respect to the copy of the Consumer K disclosure  
16 document with white out, the interest rates listed decreased from  
17 5.875% to 4.25% and payments decreased from \$948.74 to 755.96.

18 103. The white out Consumer K disclosure document described above was  
19 also copied and again the copy contained white out over the  
20 interest rates and payments. However, on this white out copy of a  
21 copy, the interest rates and payments increased to 8.875% and  
22 \$1,356.44, respectively. A duplicate copy of this white out  
23 original was found in Respondent 1<sup>st</sup> Metropolitan Mortgage's Shred-  
24 It bin in the Salem, New Hampshire branch office.

25 104. The Consumer K disclosure document containing the interest rates

1 and payments of 8.875% and \$1,356.44 was discovered in the loan  
2 file, which was not the disclosure document Consumer K borrowers  
3 were presented with for signature. Further, Respondent Max was  
4 named as the loan originator. Employee #4, the loan processor,  
5 certified that all copies of the documents were "true and accurate  
6 copies of the originals".

7 105. The Consumer A Truth in Lending statement contained white out over  
8 the date, changing it from July 25, 2008 to July 2, 2008.

9 106. The Consumer M "Fee Information from Your Mortgage Broker"  
10 disclosure document dated May 20, 2008 contained white out over  
11 the mortgage broker compensation, broker fee, and total fields.  
12 The Consumer M disclosure document named a loan originator but the  
13 signature appears to be that of Employee #4, the loan processor.

14 107. The Consumer N VA Form 26-1082a and the HUD 1003 Addendum Form  
15 92900-A each contained white out over the date. The date  
16 disclosed was May 9, 2008 but appeared to originally be June 9,  
17 2008.

18 INFLUENCING THE VALUE OF AN APPRAISAL By Respondents' Employees -

19 Violation of Title 18 U.S.C. Section 1001, et seq. via RSA 397-A:2,III (4  
20 Counts):

21 Violation of Title 18 U.S.C. Section 1010 via RSA 397-A:2,III (4 Counts):

22 Violation of Title 18 U.S.C. Section 1344 via RSA 397-A:2,III (4 Counts):

23 Violation of RSA 397-A:6,I Failure to Supervise (4 Counts):

24 Violation of RSA 397-A:17,I(f) Violation of Federal Laws and Rules (4

25 Counts):



Violation of RSA 397-A:17,I(g) Failure to Supervise (4 Counts):

Violation of RSA 397-A:17,I(k) Dishonest or Unethical Practices (4 Counts):

Violation of RSA 397-A:17,I(l) Violation of Federal Laws and Rules (4 Counts):

108. Paragraphs 1 through 107 are hereby realleged as fully set forth herein.

109. Respondents' employees attempted to influence the value of appraisals in order to make the loan happen and the sale occur.

110. An email from Respondents' Employee #2 to an appraisal company asked for an appraisal at a certain amount. However, the appraisal company's response indicated his appraisal is a bit short of Employee #2's request.

111. An email from another appraisal company to Respondents' Employee #2 stated "the consumer is upside down even on the best comp check." Employee #2 responded "here is an appraisal at a certain amount, which makes the loan to value at 95%." It appears Employee #2 was able to influence at least one appraiser on the value of the same property to make the loan work and sale occur.

112. Respondents' Employee #2, in an email to a consumer, indicated "he has to get more creative and find another way to make it for the consumer." The email contained the appraiser's comment that "original values will be reduced because active listings are priced lower". Therefore, Employee #2 began mass emailing several emails with the same script, asking for a "value at a specific amount to make the deal work" and further stated "it is only an

extra seven thousand dollars."

113. Finally, an email from an appraiser to Respondents' Employee #2 indicated that "the appraisal was down to a certain amount and dropping." Employee #2 responded that "a certain amount (a higher amount than what the appraiser quoted) will get the deal done if the appraiser could find a way."

**SUPERVISION - FAILURE TO SUPERVISE AND SAFEGUARD CONSUMER INFORMATION -**

**Violation of the Gramm-Leach-Bliley Act, Title 5, Section 501(a) via RSA**

**397-A:2,III (5 Counts):**

**Violation of RSA 397-A:6, I Failure to Supervise (5 Counts):**

**Violation of RSA 397-A:11,I Failure to Maintain Records (3 Counts):**

**Violation of RSA 397-A:11,IV Destruction of Records (3 Counts):**

**Violation of RSA 397-A:12,VII Failure to Facilitate Exam (3 Counts):**

114. Paragraphs 1 through 113 are hereby realleged as fully set forth herein.

115. During an examination of Respondent 1<sup>st</sup> Metropolitan Mortgage's Salem, New Hampshire branch office, Department Examiners discovered Respondents failed to properly secure nonpublic consumer information by leaving them in unlocked drawers of cubicles and desks.

116. When asked by the Department, Respondents could not determine if Respondent 1<sup>st</sup> Metropolitan Mortgage had retained cleaning professionals to clean office suites and could not produce such contracts. This demonstrates a lack of supervision by Respondents.

1 117. Respondents failed to properly supervise loan originators. An  
2 email from Respondent Max to another employee regarding a third  
3 employee was found in the Shred-It bin in Respondent 1<sup>st</sup>  
4 Metropolitan Mortgage's Salem, New Hampshire branch office.  
5 Respondent Max stated the third employee works out of her house  
6 and to simply ensure Respondent Max's name was on the documents.

7 118. A page 3 of 3 of the Tangible Net Benefits Worksheet was also  
8 discovered in the Shred-It bin, which contained a white-out over  
9 the typed employee's name and had Respondent Max's name  
10 handwritten over it.

11 119. On August 15, 2008, the Department requested email logins and  
12 passwords for Respondent Max and Respondents' Employee #1. On  
13 September 5, 2008, Respondents informed the Department that all  
14 email had been deleted.

15 120. On August 15, 2008, the Department also requested three separate  
16 loan files due to certain documentation found in Respondent 1<sup>st</sup>  
17 Metropolitan Mortgage's Salem, New Hampshire branch office Shred-  
18 It bins. On September 5, 2008, Respondents informed the  
19 Department that there were no records of these loan files.

20 121. The Department requested yet another loan file be submitted to the  
21 Department by August 20, 2008 for examination review. On  
22 September 5, 2008, Respondents informed the Department that a  
23 record of this particular loan file has not been discovered.  
24  
25

1 FAILURE TO UPDATE INFORMATION ON FILE WITH THE COMMISSIONER -

2 Violation of RSA 397-A:10, III Failure to Inform Commissioner of Office

3 Closure (4 Counts):

4 Violation of RSA 397-A:10, IV Failure to Update Information on File with

5 Commissioner (4 Counts):

6 122. Paragraphs 1 through 121 are hereby realleged as fully set forth  
7 herein.

8 123. Respondents did not notify the Department until August 14, 2008  
9 that Respondents terminated branch manager Respondent Max and all  
10 of Respondent 1<sup>st</sup> Metropolitan Mortgage's Salem, New Hampshire  
11 branch office employees.

12 124. Further, Respondents failed to notify the Department until August  
13 14, 2008 that Respondent 1<sup>st</sup> Metropolitan Mortgage's Salem, New  
14 Hampshire branch office was closed, which was not done 10 days  
15 prior to the effective date of closing.

16 125. Respondents failed to notify the Department that Respondent 1<sup>st</sup>  
17 Metropolitan Mortgage had an administrative regulatory action from  
18 Texas dated February 22, 2007.

19 126. Respondents failed to notify the Department that Respondent 1<sup>st</sup>  
20 Metropolitan Mortgage had an administrative regulatory action from  
21 Ohio dated May 2007.

22 II. ISSUES OF LAW

23 The staff of the Department, alleges the following issues of law:

- 24 1. The Department realleges the above stated facts in paragraphs 1  
25 through 126 as fully set forth herein.

1        2. The Department has jurisdiction over the licensing and regulation  
2        of persons engaged in mortgage banker or broker activities  
3        pursuant to NH RSA 397-A:2 and RSA 397-A:3.

4        3. RSA 297-A:1, XVIII defines "person" as an individual, corporation,  
5        business trust, estate, trust, partnership, association, 2 or  
6        more persons having a joint or common interest, or any other  
7        legal or commercial entity however organized.

8        4. RSA 397-A:1, VI defines a "direct owner" as any person, including  
9        individuals, that owns, beneficially owns, has the right to vote,  
10       or has the power to sell or direct the sale of 10 percent or more  
11       of the applicant or licensee. Respondent Beyman was a direct  
12       owner up until January 8, 2008, and Respondent Corporate Office  
13       Management is currently a direct owner of, Respondent 1<sup>st</sup>  
14       Metropolitan Mortgage.

15       5. With respect to direct owners and other indirect owners in a  
16       multilayered organization, RSA 397-A:1, VIII-a, (a) defines  
17       "indirect owner", in the case of an owner that is a corporation,  
18       as each of its shareholders that beneficially owns, has the right  
19       to vote, or has the power to sell or direct the sale of, 25% or  
20       more of that corporation. Respondent Jacobs and Respondent  
21       Lieber are indirect owners of Respondent 1<sup>st</sup> Metropolitan  
22       Mortgage.

23       6. RSA 397-A:2, III requires persons subject to or licensed under RSA  
24       Chapter 397-A to abide by applicable federal laws and  
25       regulations, the laws and rules of the State of New Hampshire,

1 and the orders of the Commissioner. Any violation of such law,  
2 regulation, order, or rule is a violation of RSA Chapter 397-A.  
3 Each of the above named Respondents violated this statute on at  
4 least one hundred five occasions as alleged above.

5 7. RSA 397-A:6, I mandates that licensees supervise their employees,  
6 agents, loan originators, and branch offices. Each of the above  
7 named Respondents failed to adequately supervise and therefore  
8 violated this statute on at least forty one occasions as alleged  
9 above.

10 8. RSA 397-A:10,III provides that licensees shall provide written  
11 notice to the Department of any proposed closing of any licensed  
12 office no later than ten (10) business days prior to the  
13 effective date of such change. Each of the above named  
14 Respondents violated this statute on at least two occasions as  
15 alleged above.

16 9. RSA 397-A:10,IV provides that persons licensed under RSA Chapter  
17 397 are under a continuing obligation to update information on  
18 file with the Commissioner. Each of the above named Respondents  
19 failed to update the Commissioner on at least two occasions as  
20 alleged above.

21 10. RSA 397-A:11, I provides that the licensee shall maintain such  
22 records as will enable the department to determine whether the  
23 licensee's business is in compliance with the provisions of this  
24 chapter and the rules adopted pursuant to it. Such records shall  
25 be maintained in a readily accessible location and made available

1 for examination at the licensee's New Hampshire principal office  
2 or its New Hampshire branch office location or the office of its  
3 New Hampshire agent for a period of at least 3 years after the  
4 loan is closed, if the loan is not retained in the licensee's  
5 loan portfolio, or 3 years after the loan is paid in full, if the  
6 loan is retained in the licensee's loan portfolio. Licensees may  
7 maintain photocopies, microfilm, or microfiche copies of original  
8 documents. Each of the above named Respondents violated this  
9 provision on at least four occasions as alleged above.

10 11. RSA 397-A:11, IV provides that licensees must preserve all  
11 original business records for as long as the commissioner shall  
12 prescribe. Each of the above named Respondents violated this  
13 provision on at least three occasions as alleged above.

14 12. RSA 397-A:12,VII provides that every person being examined, and  
15 all of the officers, directors, employees, agents, and  
16 representatives of such person shall make freely available to the  
17 Commissioner or his or her examiners, the accounts, records,  
18 documents, files, information, assets, and matters in their  
19 possession or control relating to the subject of the examination  
20 and shall facilitate the examination. Each of the above named  
21 Respondents violated this statute on at least three occasions as  
22 alleged above.

23 13. RSA 397-A:12, VIII provides that upon receipt of a written report  
24 of examination, the licensee shall have 30 days or such  
25 additional reasonable period as the Commissioner for good cause

1 may allow., within which to review the report, recommend any  
2 changes and set forth in writing the remedial course of action  
3 the licensee will pursue to correct any reported deficiencies  
4 outlined in the report. The above named Respondents violation  
5 this provision on at least two occasions as alleged above.

6 14. RSA 397-A:17, I(f) provides that licensees are prohibited from  
7 making fraudulent misrepresentations, circumvent or conceal,  
8 through whatever subterfuge or device, any of the material  
9 particulars or the nature thereof required to be stated or  
10 furnished to a borrower under the provisions of this chapter.  
11 Each of the above named Respondents violated this provision on at  
12 least thirty-four occasions as alleged above.

13 15. RSA 397-A:17, I(g) provides that licensees engaging in business in  
14 New Hampshire must supervise their agents, originators, managers  
15 or employees. Each of the above named Respondents violated this  
16 statute on at least thirty-six occasions as alleged above.

17 16. Pursuant to RSA 397-A:17, I(k), licensees engaging in business in  
18 New Hampshire are prohibited from engaging in unethical business  
19 practices. Each of the above named Respondents violated this  
20 statute on at least thirty-six occasions as alleged above.

21 17. RSA 397-A:17, I(l) provides that licensees must abide by all  
22 federal laws or rules thereunder. Each of the above named  
23 Respondents violated several sections of Title 18 of the United  
24 States Code as defined below. Each of the above named  
25



1 Respondents violated federal law on at least thirty-six occasions  
2 as alleged above.

3 18. The Gramm-Leach-Bliley Act, Title V, Sec. 501(a) states that it  
4 is the policy of the Congress that each financial institution has  
5 an affirmative and continuing obligation to respect the privacy of  
6 its customers and to protect the security and confidentiality of  
7 those customers' nonpublic personal information. Each of the  
8 above named Respondents violated this provision on at least five  
9 occasions as alleged above.

10 19. 18 U.S.C. Section 1001, et seq., provides that except as  
11 otherwise provided in this section, whoever, in any matter within  
12 the jurisdiction of the executive, legislative, or judicial  
13 branch of the Government of the United States, knowingly and  
14 willfully (1) falsifies, conceals, or covers up by any trick,  
15 scheme, or device a material fact; (2) makes any materially  
16 false, fictitious, or fraudulent statement or representation; or  
17 (3) makes or uses any false writing or document knowing the same  
18 to contain any materially false, fictitious, or fraudulent or  
19 entry; shall be fined under this title, imprisoned not more than  
20 5 years... Each of the above named Respondents violated this  
21 provision on at least thirty-four occasions as alleged above.

22 20. 18 U.S.C. Section 1010, et seq., provides that whoever, for the  
23 purpose of obtaining any loan or advance of credit from any  
24 person, partnership, association, or corporation with the intent  
25 that such loan or advance of credit shall be offered to or

1           accepted by the Department of Housing and Urban Development for  
2           insurance, or for the purpose of obtaining any extension or  
3           renewal of any loan, advance of credit, or mortgage insured by  
4           such department, makes, passes, or utters, or publishes any  
5           statement, knowing the same to be false, or alters, forges, or  
6           counterfeits any instrument, paper, or document, or utters,  
7           publishes, or passes as true any instrument, paper, or document  
8           knowing it to have been altered, forged, or counterfeited, or  
9           willfully overvalues any security, asset, or income, shall be  
10          fined under this title or imprisoned not more than two years, or  
11          both. Each of the above named Respondents violated this provision  
12          on at least thirty-four occasions as alleged above.

13        21. 18 U.S.C. Section 1344, et seq., provides that whoever knowingly  
14          executes, or attempts to execute, a scheme or artifice - (1) to  
15          defraud a financial institution; or (2) to obtain any of the  
16          moneys, funds, credits, assets, securities, or other property  
17          owned by, or under the custody or control of, a financial  
18          institution, by means of false or fraudulent pretenses,  
19          representations, or promises; shall be fined not more than  
20          \$1,000,000.00 or imprisoned not more than 30 years, or both.  
21          Each of the above named Respondents violated this provision on at  
22          least thirty-four occasions as alleged above.

23        22. RSA 397-A:17,I provides that the Commissioner may suspend any  
24          license pending any final determination of any order to show  
25          cause or other order, or of any other proceeding under this

1 section, provided that the Commissioner finds that the public  
2 interest would be irreparably harmed by delay in issuing such  
3 order.

4 23. RSA 397-A:18,I provides that the Department may issue a complaint  
5 setting forth charges whenever the Department is of the opinion  
6 that the licensee or person over whom the Department has  
7 jurisdiction, has violated any provision of RSA 397-A or orders  
8 thereunder.

9 24. RSA 397-A:21,IV provides that any person who, either knowingly or  
10 negligently, violates any provision of Chapter 397-A, may upon  
11 hearing, and in addition to any other penalty provided for by  
12 law, be subject to an administrative fine not to exceed \$2,500,  
13 or both. Each of the acts specified shall constitute a separate  
14 violation, and such administrative action or fine may be imposed  
15 in addition to any criminal penalties or civil liabilities  
16 imposed by New Hampshire Banking laws.

17 25. RSA 397-A:21,V provides that every person who directly or  
18 indirectly controls a person liable under this section, every  
19 partner, principal executive officer or director of such person,  
20 every person occupying a similar status or performing a similar  
21 function, every employee of such person who materially aids in the  
22 act constituting the violation, and every licensee or person acting  
23 as a common law agent who materially aids in the acts constituting  
24 the violation, either knowingly or negligently, may, upon notice  
25 and opportunity for hearing, and in addition to any other penalty

1 provided for by law, be subject to suspension, revocation, or  
2 denial of any registration or license, including the forfeiture of  
3 any application fee, or the imposition of an administrative fine  
4 not to exceed \$2,500, or both. Each of the acts specified shall  
5 constitute a separate violation, and such administrative action or  
6 fine may be imposed in addition to any criminal or civil penalties  
7 imposed.

### 8 **III. RELIEF REQUESTED**

9 The staff of the Department requests the Commissioner take the following  
10 Action:

- 11 1. Find as fact the allegations contained in section I of this Staff  
12 Petition;
- 13 2. Make conclusions of law relative to the allegations contained in  
14 section II of the this petition;
- 15 3. Pursuant to RSA 397-A:17, order each of the above named  
16 Respondents to show cause why their license should not be  
17 immediately suspended;
- 18 4. Pursuant to RSA 397-A:17, order each of the above named  
19 Respondents to show cause why their license should not be revoked;
- 20 5. Pursuant to RSA 397-A:18, order each of the above named  
21 Respondents to immediately Cease and Desist from violations of  
22 this chapter;
- 23 6. Assess fines and administrative penalties in accordance with RSA  
24 397-A:21, for violations of Chapter 397-A, in the number and amount  
25 equal to the violations set forth in section II of this Staff

Petition; and

7. Take such other administrative and legal actions as necessary for enforcement of the New Hampshire Banking Laws, the protection of New Hampshire citizens, and to provide other equitable relief.

#### IV. RIGHT TO AMEND

The Department reserves the right to amend this Staff Petition and to request that the Commissioner take additional administrative action. Nothing herein shall preclude the Department from bringing additional enforcement action under RSA 397-A or the regulations thereunder.

Respectfully submitted by:

/s/  


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Maryam Torben Desfosses  
Hearings Examiner

11/6/08  
Date